

Cancellation of the Automatic July 2003 Mass Adjustments 2003 Medicare Physician Fee Schedule

Over the past several months, the Centers for Medicare & Medicaid Services (CMS) had been educating the physician community about the automatic mass adjustments that were going to occur beginning in July, 2003. The Medicare Physician Fee Schedule (MPFS) did not become effective until March 1, 2003 (delayed from January 1, 2003). These adjustments were going to be necessary as a result of a limitation in the Medicare payment system, which delayed the implementation of the MPFS, and which resulted in the incorrect payment of a substantial number of claims.

This news had been announced at several of the Physician Open Door Forums, and via carriers' web sites, and bulletins. Because January 2003 and February 2003 physician services submitted between March 1 and June 30, 2003 may have resulted in an incorrect payment, CMS had previously directed Medicare carriers to automatically adjust these claims, beginning in July 2003, and to recover any applicable overpayments.

The Good News

We now want to inform you that CMS has determined that it will **NOT** require Medicare carriers to go forward with the automatic July mass adjustments and resulting collection of overpayments. If an overpayment exists, you will not be receiving any "Demand" letters related to an incorrect payment based on the delay of the 2003 MPFS. This also means that Medicare beneficiaries will not be receiving copies of those "Demand" letters that would have potentially caused unnecessary confusion to them. You should be aware, however, that if you bring to the attention of the Medicare carrier that an incorrect payment for January or February 2003 was received, the carrier will still process such an adjustment.